Delaware Health Care Commission Meeting

Thursday, November 2, 2017

Herman Holloway Sr. Campus – The Chapel

1901 North DuPont Highway, New Castle, DE

Meeting Attendance

Health Care Commission Members Present:

- Nancy Fan, MD, Chair
- Jan L. Lee, MD
- Richard Heffron
- Susan A. Cycyk
- Theodore W. Becker, Jr.
- Trinidad Navarro
- Kathleen Matt, PhD

Health Care Commission Members Absent:

- Kara Odom Walker, MD, Secretary
- Rick Geisenberger
- Dennis Rochford
- Edmondo J. Robinson, MD

Health Care Commission Staff:

- Ann Kempski, Executive Director
- Eschalla Clarke, Social Services Sr. Administrator
- Helen Arthur, Deputy Director
- Marques Johnson, Administrative Specialist III
- Kiara Cole, Community Relations Officer

Meeting Minutes

CALL TO ORDER

Dr. Nancy Fan called the meeting to order at approximately 9:07 a.m.

APPROVAL OF OCTOBER 5, 2017 MEETING MINUTES

Dr. Nancy Fan requested a vote from present commission members to approve the October 5, 2017, meeting minutes. There were no oppositions or corrections required for the October 5, 2017, meeting minutes, and the minutes were approved unanimously.

UPDATE: ACA MARKETPLACE

Insurance Commissioner Trinidad Navarro – noted that today, Thursday, November 2, 2017, Health Insurance Marketplace is open for enrollment

- In Highmark's rate filing they anticipated that the CSR's would not be funded (included in the rate filing). They also priced higher in anticipation that that the individual mandate might not be enforced under Trump Administration.
- For qualifying individuals purchasing insurance on the Exchange/Marketplace, their tax credits will increase to help offset higher premiums.
    - What will this mean for next year? Department of Insurance is assuming that rates will go up exponentially (death by 1,000 paper cuts). DOI hopes this does not happen so that all Delawareans have the right to affordable health care.
    - DOI has assisted with advertising regarding disseminating the word about Marketplace.
        - Radio spot has been developed and was approved on Wednesday, November 1st and will air on WDEL and WSTW.
        - The radio advertisement was costly and required approval from the Office of Management and Budget (OMB).
        - The challenge is to get the message out that the ACA is not dead and is still available to those who need affordable health care – there is a lot of confusion across the country surrounding the Affordable Care Act (ACA).`
        - This year, individuals who had Aetna insurance will not have the assistance they had before in choosing the right insurance plan (Aetna left the 2018 Marketplace).
            - Individuals will be placed on a plan very similar to what they chose the previous year.
        - DOI discussed making calls to each person who had Aetna insurance, but Aetna would not provide that information to DOI. There were about 11,000 individuals who had Aetna insurance last year.
    - The DOI spent 100% more funds than the previous year – DOI is invested in helping out in any way that they can.
    - **Commissioner Trinidad Navarro concluded his presentation. Commissioner Navarro and Dr. Nancy Fan (Chair) opened the floor up for discussion/questions.**
- Public Comment
    - Nick Moriello (President, Health Insurance Associates)
        - Several folks who purchase health insurance coverage on their own are self-employed. For those self-employed folks, they generally fall into two categories as it relates to health insurance.

- Individuals who **qualify** for tax credits and/or subsidies
    - It may not be as bad of an impact for them because a tax credit could have gone up to offset the premium increase that they may face. In fact, with the higher rate increases with the expectation of the cost-sharing reductions going away, some folks may be able to get 'bronze' level care at no cost at all due to tax credits.
- Individuals who **do not qualify** for tax credits and/or subsidies
    - What we're finding out for the first time in the era of the ACA is that small business-based employer health plans are lower cost than personal health insurance plans and are the same standardized plans (i.e. bronze, silver, gold, and platinum plans).
    - It is a lot of work to establish a group health insurance plan but is something that the agent/broker community is well-versed in and can help the self-employed folks.
    - They can set up a business-based plan for their business – Delaware is a unique state in that it allows businesses down to one employee – a self-employed person can establish themselves as the lone employee and save somewhere around 12% compared to apple to apple coverage on each.
- The federal cost-sharing reductions to go away based on everything we see going on at the federal level
- Some folks that qualify to receive tax credits they could have a bronze level plan for very low possibly zero premium. But, when they're selecting their plan right now, cost-sharing reductions are still there at the moment. So, the self-employed are faced with deciding on keeping the silver level plan (that has the cost-sharing reduction may or may not go away). Whereas with a bronze level plan, the premium would create out-of-pocket exposure. There's not really a right or wrong answer. It is a consumer choice - we should be educating the consumer on "here's what could happen if you choose x plan."
    - Example: Consumer chooses a silver plan → Cautionary reductions go away → but you're paying a premium higher than the bronze (lowest level plan) and a lower deductible and lower out-of-pocket exposure but it's not as low as it would have been with the cautionary reductions.

- Dr. Nancy Fan (Chair of HCC)
    - I am curious as to how well advertised it will be regarding the difference between being a self-employed small business plan versus a personal plan. How will the message get out?
- Nick Moriello responds:
    - I think that kind of information is something unique to the agent/broker community. It's something that agent/brokers are well aware of the differences and are committed to educating the consumer on the differences.
    - There are marketing efforts that happen this time of year in the agent/broker community

- Dr. Nancy Fan
    - Is there promotion specifically targeted to the small business/self-employed niche community?
- Nick Moriello

        - Yes. Correct. Many of our current clients are individual people who have personal plans right now.
    - Dr. Nancy Fan
        - If you go on healthcare.gov it is not apparent. A user visiting the site is not able to compare and identify with what segment they fall under.
    - Nick Moriello
        - Yea, you're right. We are unique in Delaware that we allow self-employed individuals to sign-up with a business of one health care plan. No other FFM states do that. It is another good piece of the puzzle that Delaware provides.
    - Dr. Nancy Fan
        - The biggest takeaway [from Nick's comments] is that we obviously [in the state of Delaware] benefit greatly from our navigators – which luckily were fully funded because the navigators are the ones who can walk individuals through the differences between the bronze and silver plan. They can't make the decision for the client, but they can at least help them figure out [what plan is fit for them].
        - It is a lot of time and effort for a lot of individuals because as confusing as it is for people who know what they are doing, and when you go on the website [healthcare.gov] it is hard to figure out until you get to the end due to having to pick a plan [to submit your application].
    - Nick Moriello
        - Right. And the website still reflects the cost-sharing reductions. So, if you are not up on this type of information and you do not know that this could potentially be going away, a consumer may just pick the silver plan because it looks like the best buy for you.
    - Dr. Nancy Fan
        - Is the business community aware of the benefits for the self-employed and small businesses – that it might be less expensive for them to go into that plan instead of a personalized marketplace plan?
    - Richard Heffron
        - Yea, I think they are aware of it. We have talked about it a lot.
    - Nick Moriello
        - It is tougher for some of the smaller businesses to go back to an employer-based plan if they disbanded the plan in the beginning of the ACA (originally). Because a lot of those employers think [well, this is the perfect opportunity to get rid of this headache, I'm going to give all my employees a raise – it's a taxable raise – and they [employees] can go buy with their own]. If that employer went *back* to employer group plan, then they would have to have the discussion of – *do I take back that raise that I gave you and provide insurance instead?* But I was talking about the *singular* self-employed persons – it's their dollars – whether it is out of *your* left pocket or your right pocket. Bottom line is, if it's a little less, that's the plan they will go wit

Ann Kempski, Executive Director – Health Care Commission (HCC) – using PowerPoint slides to guide her presentation.

- Kicked off open enrollment yesterday (Nov. 1, 2017)
- Open Enrollment is short this year
    - If they have a qualifying event (i.e. getting married, moving, having a baby, etc.), individuals are still eligible to apply outside the open enrollment period.

- Navigators have a full calendar of events to help consumers with choosing a plan that fits their needs and lifestyle.
    - There are free events coming to educate individuals regarding Marketplace open enrollment period
        - Events will be in all of Delaware's counties in the month of November to help kick things off.
- HCC staff put out proposed changes for the qualified health plan (QHP) standards for 2018
    - Have not received many comments
    - The three areas we are looking to focus on for minor changes are:
        - Telehealth
            - Updating definitions around telehealth and eligible qualified settings for telehealth
        - Federal mental health parity rules (finalized)
        - Value-based networks
            - We would love to hear more from the carrier community – it would fit in with the SIM project the HCC is working on
- The Trump administration has put out new QHP standards for next year
    - Takeaway: more flexibility to the states on key aspects of standards around the plans
- The extended comment period for Monday, November 13, 2017, to allow more time for individuals to provide their input.
    - The vote will be made regarding standards on the commissioner level in December.
    - **Ann Kempski concluded her presentation and opened the floor for public comment.**

- Public Comment
    - No public comment was made regarding Ann Kempski's plan management update.

CARE INNOVATION: PACE PROGRAM AT ST. FRANCIS

Amy Milligan – St. Francis Healthcare (LIFE) – began her presentation on the PACE program in Delaware – using slides to guide her presentation.

- The PACE model is a value-based program that supports and tries to work towards decreasing health care costs.
    - First PACE program in Delaware – there are over 130 PACE programs across the country and growing
- A few key things:
    - PACE – program of all-inclusive care for the elderly – focused on the frail population
        - Nursing home eligible
    - All services are offered in one location. Within this one location there is:
        - A physician/primary care practice
        - A rehab practice
        - Adult day center (PACE manages all transportation)
        - Social services team
    - At PACE it is all about managing the whole person – it is a social service program
- The PACE model began in San Francisco, CA in the early 70s
    - Based on the population and wanting to take care of the elderly
- The 1990s is when the federal government decided to make this an option for all states to provide senior care
- Who Does LIFE Serve?
    - You must be 55 years of age or older
    - Live in New Castle County (Claymont to Smyrna)
        - Every program that applies picks a geographic area

- Must be certified by the state of Delaware as having a medical need
    - If someone needs assistance of one activity of daily living, they would contact PACE
- Able to live safely in the community
    - It is the responsibility of the PACE program to evaluate the potential clients living environment
    - This is conducted through an evaluation by a PACE employee visiting the potential clients home and interviewing them and a possibly a family member of the potential client
        - This is critical – there are some people where there are programs that are best suite for them (i.e. elderly with severe illnesses such as Alzheimers or dementia)

- Key Features of PACE
    - Flexibility
        - Ability to provide services as needed 24/7/365 in the most appropriate care setting
            - Even if a client is living in their home, the PACE must ensure that they are safe and taken care of (Example: if a patient has a certain level of dementia, PACE coordinates with a family member).
            - If they are in-patient and they are released and want to come back home, but are not safe in their home, PACE will do a short overnight stay with the patient.
    - All-Inclusive
        - Fully integrated **Medicare** and **Medicaid** services into one package
        - **No** fee for service, benefit limitations, co-pay or deductible for dually eligible
        - Provider and insurer
        - The participant does not have to pay anything – PACE covers all of that
    - Interdisciplinary Team
        - Specific care teams for each person
            - Home care nurse, clinic nurse, PCP, social worker, etc.
        - Principal care management mechanism
        - Directly provides and coordinates all care for the individual
- Currently, PACE Delaware has 229 participants
    - The care that is provided is individualized and provided based on the need of the participant
    - The goal with the current site is to have anywhere between 250-300 plus another 250 participants in the Newark site
- There are services that are provided that are conducive to the interdisciplinary team PACE hires
- PACE Payment Model
    - Medicare + Medicaid = Blended Capitation/Fixed Payment for benefits package
    - More funding for individuals who are on dialysis
- Why PACE Works
    - The PACE model ensures that the *financial incentives* of the provider and the *quality of life incentives* of the PACE enrollee are aligned
    - From a financial perspective, the success of the PACE organization relies on the use of *lower-cost preventative care* to avoid higher-cost inpatient hospital or nursing home care
- PACE is a very difficult program to run because there are no limits
    - There are no boxes you can close – every single individual is different
    - When done well, it is a great way to show your respect and keep the dignity of the frail population
    - Have been able to decrease mortality rates
- Who are PACE's Current Participants?

- Demographics – current census is 229
- Average Age: 75.5 years; 58-99 years
- Gender: 78% female; 22% male
- Ethnicity: 50% African American; 35% White; 35% White; 13% Hispanic; 2% Asian
  - PACE must understand a plethora of cultures, languages and how to work with an array of family backgrounds to ensure participants get the care that they need
- Payer Source
  - Medicare/Medicaid LTC: 96%
  - Medicaid LTC: 4%
  - Private Pay: 0%

- Where do They Live?
  - There are about 5,000 eligible people in New Castle (Claymont to Wilmington)
- **Public Comment**
  - Jan Lee asked:
    - The state has to certify the potential participants living conditions – what is the process for that?
  - Amy Milligan reply:
    - PACE has an in-take person as well as a home care nurse and OT that goes out to the home and fills out a form for the primary care physician.
    - PACE submits a case to the state nurse. The state nurse then approves or denies the request for care for the participant.
    - Sometimes the nurse will go out to the home.
  - Jan Lee
    - Do you take the participants through physician referrals?
  - Marie Miller responded:
    - PACE does a lot of marketing in the community and referrals come through word-of-mouth – by participant family members or others affiliated with PACE.
    - PACE also works very closely with ACO's in spreading the word about PACE.
    - PACE provides an education accredited program where the mission is to go into practice centers and provide information on the PACE program and how patients can get the care they need
    - PACE works with social workers and the Division of Aging and all of the hospitals in Delaware
  - Jan Lee
    - Medicare and Medicaid are not known for being the highest paying in health plans and PACE is wrapping an incredible level of service and social services for medical care and charging the patient nothing. How does this work? Because why isn't their more awareness around this program with the Delaware population and why are we not doing it for everyone?
  - Amy Milligan responded:
    - There are two answers to the question:
      - The way most states evaluate what the per/member per month is – the methodology is look at the upper limit and give the PACE program a certain percentage of that for the long-term care people. Each state follows this method – they [the state] develops a methodology and get CMS to approve it.
        - That is how it works with us [Delaware]
      - The second piece is that PACE is truly focused on (cost comes from two things – your staff and your utilization). Your staff is key to your success. The more you see them, the

more you work with them, the more the staff is in the patient's house, Preventative care – seeing participants **all** the time.
        - The program is full risk. You need a significant amount of capital. You have losses for a number of years before you begin to see the success of the program.
        - When I [Amy Milligan] started 5 years ago, there was less than 100 programs across the country. Now, there is 130 to 140 programs across the country.
        - PACE is a hard program to administer due to many different moving parts.
    - Jan Lee responded:
        - We should be studying this program very carefully because it is the type of value-based system that the state of Delaware is trying to move to.
    - Amy Milligan responded:
        - Law passed called the PACE Innovation Act
            - Goal: to look at other special populations that provided coordination of care for people with pervasive mental illness, physical disabilities and this program will be ideal
    - Susan Cycyk asked a question:
        - Although you don't have participants yet, you would take somebody who was Medicare or Medicare recipient and had personal insurance?
    - Amy Milligan:
        - The patient receiving care would have to pay the difference of what the personal insurance and Medicare did not cover.
            - Amy Milligan – that is correct. One of the difficulties of the PACE program is that you cannot compete with larger insurance companies like Aetna in terms of how many people you enroll.
        - Employee size – 2 to 1 patient: staff ratio.

UPDATE: SIM SPONSORED ACTIVITY

- In year 3 of the SIM grant.
    - Coming to the end – fiscal year ends in January with the New Year beginning in February.
- Year 4
    - Operational plan is being developed and will need to be sent to CMMI for approval. Final operational plan sent to CMMI by middle of December.
    - Draft has been created by the HCC and was delivered to CMMI on Nov. 1, 2017.
- Two RFP's submitted in the beginning of summer 2017.
    - First RFP was for the payment reform acceleration
        - Award to Mercer
    - Second RFP was for Behavioral Health Integration and the Healthy Neighborhoods program.
        - Awarded to Health Management Associates
- Health Management Associates Role
    - Team members from the PMO will act as component liaisons
        - One member of the PMO/Component A will concentrate on one Component
    - Coordinate with Accelerated Payment work
    - Streamline the lines of communication
        - Within the HMA team
        - To DHSS
- Component C: Healthy Neighborhoods
    - Phase I

- Kick-off meeting – October 26th
- Detailed work plan approved
- Assessment of current Healthy Neighborhoods Program
- Create mini-grant model
- Social Network Analysis
- Distribute first round of funding
- Official launch with funded Healthy Neighborhoods
- Review available data for each designated Healthy Neighborhood

  - Phase II
    - Provide technical assistant to each Healthy Neighborhood
    - Create infrastructure to support Healthy Neighborhoods Program, including Steering Committee Launch
    - Ensure each designated Healthy Neighborhood has selected a priority area and Steering Committee has created a Charter
    - Host learning opportunities quarterly
    - Create evaluation framework for each local council with focus on action
    - Draft progress reports as needed

- Component B: Behavioral Health Integration
  - Stakeholder Issues and Strategies
    - CMMI
    - DCHI
    - Delaware agencies
    - Health plans/health systems
    - Providers (Component B)
    - Neighborhoods (Component C)

Public Comment

- When you speak about sustainability and specifically working with New York City and Chicago, both of which have large public hospitals. Delaware does not have any public hospitals. Are you taking that into consideration?
  - Right now HMA has 21 offices in 18 states. We have been working in all kinds of environments. We [HMA] has been doing a lot of Behavioral Integration in a lot of different settings. If we know that we can translate a setting one to one, we shift our focus and make sure we are starting with that right foundation. We're thinking about conditions here [in Delaware]. And then how they do compare.
- We speak a lot about stakeholders and we tend to refer to it as people who have high positions. I hope that you will remember that the consumer is a major stakeholder when it comes to community health sustainability